MEDPAC Medicare Payment Advisory Commission

MEETING BRIEF

April 12-13, 2001

Quality of care in rural areas

ISSUE: Although policymakers often express concerns about the adequacy of rural health care financing and access to care, rural quality of care issues receive relatively short shrift in Medicare policymaking. Does the quality of care that rural beneficiaries receive differ from that of urban beneficiaries? What steps should Medicare take to improve the quality of care in rural areas? Should Medicare's standards for health care delivery differ between rural and urban providers?

KEY POINTS: Overall, for beneficiaries living in both rural and urban areas, a large gap exists between the care they should receive and the care they do receive. We find, however, that the provision of ambulatory services to rural and urban beneficiaries is roughly comparable. Differences do exist in the provision of ambulatory services among beneficiaries residing in remote rural areas compared with beneficiaries not residing in these areas. Additionally, beneficiaries seeking inpatient care (for certain conditions and procedures) from low-volume hospitals and physicians in both rural and urban areas experience on average poorer outcomes of care than those treated by high-volume providers.

Opportunities exist for Medicare to improve the quality of care furnished to rural beneficiaries. Refining Medicare's quality monitoring efforts may facilitate improvements in rural quality. Performing quality improvement efforts in rural areas may also facilitate improvements in rural quality, as suggested by the results of several efforts performed by the peer review organizations in their previous contract cycle. Draft recommendation 1 proposes including rural beneficiaries as one of the groups peer review organizations must consider in carrying out their activities.

Finally, opportunities exist to improve Medicare's quality assurance activities in rural areas. The infrequent surveys of institutional providers affects rural providers disproportionately, since they are more likely to use the survey and certification program. Rural providers are less likely to be accredited compared with urban providers because of the costs of accreditation and the fact that purchasers and managed care plans have less ability to be selective in rural areas. Draft recommendation 2 reiterates MedPAC's June 2000 recommendation for more frequent surveys of all institutional providers.

ACTION: Staff seek input from Commissioners on the tone and content of the chapter and the two draft recommendations.

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